

PROPOSAL EVALUATION

Proposition 50, Chapter 8

Integrated Regional Water Management Grant Program

Implementation Step 2 Proposals

PIN: 10052
Applicant Name: Monterey County Water Resources Agency
Project Title: Salinas Valley Integrated Water Management

Funds Requested: \$ 22,832,000
Total Project Cost: \$ 79,493,318

Total Proposal Score:	97
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Description: The proposed projects are the following: Salinas Valley Water Project (SVWP), Water Quality and Fish Habitat Monitoring Program, Well No. 33, Booster Station and Reservoir Project, and Soledad Recycling/Reclamation Project. The SVWP and Fish Habitat Monitoring Program encompass the following items: Modification of Nacimiento Dam spillway, Modification of operations of Nacimiento and San Antonio reservoirs, Increased recharge of the Salinas Valley Groundwater Basin, Diversion of a portion of water released from the two reservoirs and delivery to agricultural users and Modification of project operations to include benefits to critical in-stream flows to support steelhead fisheries in the Salinas River Watershed.

Question: Adopted IRWMP and Proof of Formal Adoption

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The FED was originally adopted in June 2005. A revised FED was adopted in May 2006.

Question: Description of Region

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The FED provides an updated narrative and map which illustrates the regional boundaries. The applicant briefly addresses why all of Salinas Valley Watershed is not in the planning region. Narrative describes the region as "defined by the boundaries of the Salinas Groundwater Basin", but the map does not use such a boundary. One project is outside the Groundwater basin planning region. The FED still lacks full discussion of water supply; water quality; and economic, social, and cultural conditions.

Question: Objectives

4

The objectives of the FED were developed through a two-stage process agreed upon by partners and stakeholders in the region. Objectives are organized under four categories: water supply, water quality, flood protection, and environmental enhancement. Conflicts are not discussed. Some of the linkages among objectives and goals are unclear. For example, it is unclear how the objective "to minimize adverse environmental impacts" will satisfy the goal of environmental enhancement.

Question: Water Management Strategies and Integration

4

The FED considers multiple management strategies and identifies strategies that are not applicable to the planning region. A matrix is used to show how each strategy relates to planning objectives. Four projects are proposed under the FED and the list of strategies to be used in each of those projects is provided. Benefits from integrating strategies are listed, but how various strategies work together is not fully addressed.

Question: Priorities and Schedule

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Regional implementation priorities are provided for short- and long-term timeframes. These priorities were developed in a four-step process. The process for modifying priorities is described, and includes responsiveness to regional changes and flexibility in project sequencing.

Question: Implementation

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Four projects are identified. General time frames are provided. Projects are in various stages of planning and design and those are yet to be completed before implementation can start. Each project requires a number of permits, many of which are yet to be obtained, which makes the proposed implementation schedule questionable. Institutional structures are briefly described. Economic feasibility is addressed very briefly for each project.

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Question: Impacts and Regional Benefits

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The FED describes impacts on a project basis. Impacts to DACs are included. Advantages of regional planning are discussed. Long-term regional benefits or impacts are not fully discussed.

Question: Technical Analysis and Plan Performance

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The FED includes statements that a PAEP will be established for each project and defines quantifiable and measurable metrics for determining project progress. This section lacks adequate discussion supporting how the PAEP will measure success of the FED. Technical feasibility is not well documented.

Question: Data Management

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The FED describes data collected by the involved agencies and describes a data management system used by the applicant. The applicant states that data collected will be in a format compatible with State and federal databases, but does not discuss how such data would support statewide needs or how it would be integrated into state programs.

Question: Financing

3

A financing strategy is presented in the FED. Funds will primarily be derived from assessments, service fees, and borrowed funds. The participants of the FED are committed to providing a 60% match. Applicant addresses results of ongoing litigation and its influence on financing. A definite alternative for financing as a result of the litigation has not been identified. The applicant states that O&M costs were taken into account and were included in the land-based assessments, but does not state how or if litigation has affected funds for O&M.

Question: Relation to Local Planning & Sustainability

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The applicant states a significant effort has been put forth in demonstrating coordination with local land-use planning decision makers. The applicant demonstrates the coordination of the FED with local planning efforts by showing areas of the FED which contain similar goals of the draft County General Plan. The application does not adequately describe how the draft general plan has been changed to address issues raised in FED.

Question: Stakeholder Involvement & Coordination

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The applicant provides a clear list of stakeholders. The FED includes discussion of processes that have and will be used to facilitate stakeholder involvement and communication during implementation. EJ concerns and DAC issues are only briefly discussed. It is unclear how DACs are involved in the stakeholder process.

Weighted IRWMP Total Score: 24

Question: Work Plan

9

The work plan includes a tabulated overview of projects with an abstract, current project status, and project location map. Linkages among the projects are discussed. Individual project descriptions lack detail. Some permitting and operational requirements are not specifically discussed. Some projects, such as the Blanco Drain Treatment System project, are in the preliminary stages of design and lack a thorough project description, analysis of environmental documentation, or detailed discussion of work plan items.

Question: Budget

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Applicant submitted a reasonable budget with a summary budget that generally agrees with items shown in the work plan and schedule. Some costs are not supported with adequate documentation, so it is not possible to determine if they are reasonable. There are discrepancies in the cost calculations. The environmental requirements for the suite of projects in the Salinas Valley Water Project (SVWP) are quite high and there is not enough information to support which environmental costs are being applied to which project budget.

Question: Funding Match

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The funding match is 71% of the total proposal costs.

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Question: Schedule

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The applicant presents a schedule which is fairly reasonable but, with many permits not in place, the schedule may shift. It is difficult to link items in the work plan to items on the schedule. The SVWP schedules do not contain work items that match the work plan and budget. The schedule does not include a discussion of readiness to proceed in relation to the agreement execution date, permits, and construction start dates. A general overview of the schedule is also missing.

Question: Scientific and Technical Merit

9

The technical merit and feasibility for several of the projects is heavily dependent upon the Salinas Valley Integrated Groundwater Surface Water Model tool. The applicant does not state whether data external to the planning region was included in that model, specifically data related to the Nacimiento Water Project. Other data gaps in the proposal are appropriately identified, and the work plan includes items that fill these gaps. The Blanco Drain Treatment System project is in the planning stages and lacks support for scientific and technical merit. The applicant could have referenced other reports having success with this type of treatment in order to support project feasibility.

Question: Monitoring, Assessment and Performance Measures

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The applicant has presented an adequate monitoring and assessment program. Performance measures are presented on an extensive table which includes project goals, desired outcomes, output indicators, measurement tools and methods, and targets. The section is lacking a discussion or narrative.

Question: Economic Analysis

12

Overall assessment of proposal's benefits relative to costs is high. The SVWP would provide additional yield to replace some groundwater pumping. The No-project baseline is groundwater adjudication. The cost calculations are adequate. The benefit approach is good. Some assumptions are questionable: would highest value crops move to another part of valley; can groundwater be conveyed to the more productive land? The PV of benefits is reported as \$593 million. With adjustments for potentially overstated benefits, the benefits are still much higher than costs. Well-33 water quality benefits are high even with a conservative well replacement schedule. Water recycling costs seem to leave out a distribution system and the rationale is not provided. Avoided pumping cost benefit for agricultural land assumed to go out of production should not have been counted in Attachment 11.

Question: Other Expected Benefits

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The Other Expected Benefits claimed, recreation and ecosystem restoration, appear reasonable and feasible. An average level of benefits is expected. The Salinas IRWMP may provide some fish passage benefit to steelhead in the watershed. However, given the numerous obstacles that diminish spawning and migration success in the Salinas River, it is difficult to determine the magnitude or degree of certainty with which the projects in the proposal will benefit steelhead. The applicant acknowledges the uncertainty of benefits for steelhead.

Question: Program Preferences

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The applicant states that all four projects implement one or more Program Preference. The linkages between projects and corresponding Program Preferences are not fully discussed. The certainty that the proposal will implement the Program Preferences claimed is not well documented. The breadth and magnitude of Program Preferences that proposal will meet is not discussed.

Question: Statewide Priorities

18

The applicant addresses Statewide Priorities and demonstrates a moderate degree of certainty that some of the priorities can be achieved. The proposal most significantly addresses seawater intrusion, an important regional and statewide issue involving water users, water recycling, and water rights. The breadth with which this Statewide Priority is addressed by the projects is limited to strategies involving water supply augmentation, and it does not include conservation methods, primarily irrigation efficiency by agriculture.

Total Proposal Score:	97
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